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Governor vetoes job-creating legislation as Michigan's economy continues to plummet

LANSING – Gov. Jennifer Granholm vetoed legislation today that could have immediately helped bring new jobs to Michigan when it needs them the most, according to State Sen. Cameron S. Brown, R-Fawn River Township.

“By vetoing this bill, Governor Granholm is conceding hundreds of quality jobs to our neighboring states at a time when our state’s economy is hemorrhaging,” Brown said.

Senate Bill 175, sponsored by Brown, would have allowed local units of government to grant property tax abatements that could help attract or retain large-scale warehousing and distribution centers. Neighboring states like Indiana, Ohio and Illinois already have such abatements on the books.

The bill was sent to the governor’s desk earlier this month.

“Every day that goes by without this tool in the economic development toolbox of Michigan communities is another day they spend at a competitive disadvantage with our neighboring states,” Brown said. “My legislation would have helped communities compete with bordering states to attract new companies and bring jobs here.”

The need for SB 175 was brought to Brown’s attention when a large food distribution company – Performance Foods – recently chose to locate in nearby Kendallville, Indiana rather than Michigan. The inability of Michigan communities to offer tax abatements was specifically cited by the company as a reason they chose to locate elsewhere.

“Governor Granholm often speaks about outsourcing and jobs lost to the Pacific Rim or India,” Brown said. “But she need only travel a few miles over the border to Kendallville to see where our jobs are going. Michigan communities first have to compete with Indiana before they can even think about competing with India. Her veto will keep that from happening.”

According to Brown, a Fortune 100 company is close to making a decision between locating in the village of Constantine or just across the border in Indiana. The company could bring more than 400 quality jobs, which would clearly be a significant boost to the economy not just of Constantine or St. Joseph County, but southwest Michigan and the entire state.

Unfortunately, the village, like other Michigan communities, finds itself at a competitive disadvantage with its neighbors to the south.

“The governor’s veto is a crippling blow not just to Constantine, but to any other Michigan community that hopes to compete with nearby states for quality jobs,” Brown said. “I cannot fathom why the governor would strike down such an effort.”

(More)

The U.S. Department of Commerce recently released statistics showing Michigan's gross state product (GSP) growth in 2004 ranked last among the 50 states. Michigan's GSP increased only 1.2 percent, while the national average was 4.3 percent.

In comparison, the Department of Commerce's statistics show Indiana's GSP increased 3.8 percent last year. Other Midwest states competing with Michigan communities to attract businesses also saw substantially higher GSP increases.

"Our neighboring states are flourishing while Michigan continues to struggle," Brown said.

"Unfortunately, the governor's veto sends a clear signal to businesses that Indiana, Ohio and other states are more friendly destinations for their quality jobs."

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